

## **AIReF REVIEWS HEALTHCARE SPENDING IN EXTREMADURA AND PROPOSES MEASURES TO IMPROVE EFFICIENCY**

- The Independent Authority for Fiscal Responsibility evaluates hospital pharmaceutical spending, spending on prescription medicines dispensed at pharmacies and spending on medicines in socio-health centres in Extremadura
- These items totalled €558m in 2022, accounting for more than a quarter of total healthcare spending, or 2.8% of regional GDP. AIReF also evaluates spending on investment in high-tech equipment, amounting to €4m in 2022
- The institution observes a strong push towards the use of biosimilar medicines in Extremadura, though it considers there is room for improvement in certain active ingredients with a high economic impact
- AIReF detects a significant increase in pharmaceutical spending on prescription medicines dispensed at pharmacies, prompting the need to redesign pharmaceutical policy, its deployment and implementation
- AIReF proposes the creation and strengthening of primary care pharmacy services in health departments and better information systems by incorporating prescription quality indicators in dashboards at all management levels
- AIReF acknowledges the improvement in the age of high-tech equipment but detects some categories of equipment that are particularly old which, in addition to their generally low usage, require strategic planning regarding investment decisions in high technology
- In the socio-health pharmacy field, AIReF observes significant variations in pharmaceutical provision, dispensing and care for residents of socio-health centres, and proposes the development of a pharmacotherapeutic guide and a unique therapeutic plan for socio-health patients

The Independent Authority for Fiscal Responsibility (AIReF) published the study on public spending on pharmaceuticals and high-tech equipment in Extremadura on its website today, identifying areas for improvement and proposing measures to enhance spending efficiency in the region. The study examines three items of public pharmaceutical spending: hospital pharmaceutical spending, spending on prescription medicines dispensed at pharmacies, and spending on medicines at socio-health centres. These items totalled €558m in 2022, more than a quarter of total public healthcare expenditure and accounting for 2.8% of the region's GDP. The study also evaluates spending on investment in high-tech equipment, amounting to €4m in 2022, according to data provided by the Extremadura Health

**Service (SES). Accordingly, the combined total of the budget items analysed exceeds €560m.**

AIReF observes that public hospital pharmaceutical spending in Extremadura has experienced continuous growth between 2003 and 2022, totalling €193m in 2022, heavily influenced by the introduction of therapeutic innovations with a high economic impact. In per capita terms, this amounted to €172, below the national average. Among the findings identified by AIReF, there has been a strong push in recent years to promote biosimilar medicines by the Extremadura Health Service, with usage surpassing the national average. However, AIReF considers there is room for improvement in the use of biosimilars with a high economic impact but a shorter track-record in the market and proposes the development and approval of a plan or strategy to promote them, particularly in specific hospitals and healthcare services.

On another note, the institution observes that pharmaceutical spending on prescription medicines dispensed at pharmacies has undergone a significant increase in Extremadura over the last 20 years, closing 2022 with the highest figure on record and in the country (€327 per adjusted inhabitant). When analysing prescription spending, considering factors such as the ageing population and socio-economic variables like income, the region still exhibits high spending levels. This suggests that elements related to pharmaceutical policy and the implementation of strategies and actions for the rational use of medicines may be contributing to these differences.

AIReF's synthetic indicator of pharmaceutical prescription policy highlights significant room for improvement in the design, deployment and implementation of pharmaceutical policy. The evaluation reveals weaknesses in the network for the rational use of medication in primary care. Despite having an extensive network of pharmacists in primary care teams, their main focus is on public health tasks, sidelining actions and functions to promote the rational use of medication. In this regard, AIReF proposes strengthening these pharmacy services and the approval of a new model geared towards pharmaceutical care and the rational use of medication.

The evaluation also demonstrates a progressive deterioration in the quality indicators of pharmaceutical prescription across all health areas in Extremadura. A pharmacy-based strategy to improve these quality indicators would result in efficiency improvements for the public healthcare system in Extremadura.

In the field of socio-health pharmacy, AIReF identifies a significant variation in terms of the pharmaceutical provision, dispensing and care of residents in socio-health centres. Consequently, it proposes the development of a pharmacotherapeutic guide for socio-health centres and a unique therapeutic plan for socio-health patients to achieve greater consistency and quality in the pharmaceutical provision and care of institutionalised patients. It also proposes the creation of a common and unified (and bidirectional) information system that integrates social and healthcare information on residents to improve coordination. AIReF also analyses the draft decree regulating pharmaceutical provision in socio-health centres in Extremadura, currently in its parliamentary passage, and proposes areas for improvement and proposals to develop the decree geared towards ensuring the competitive basis of award of tenders to improve the dispensation system through procedures such as personalised dispensing systems.

**Investment in high technology**

The spending in investment on high-tech equipment is a smaller budgetary item than pharmaceutical spending (0.2% of Extremadura's healthcare expenditure) but has a

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major impact due to the high acquisition and operational costs, as well as its essential role in providing quality care and achieving health results with a high impact.

The evaluation highlights that, while there is an effort to plan and schedule investments, particularly based on the obsolescence of equipment, this lacks a formally established medium- to long-term strategic planning process outlined in a plan that serves as a communication tool. The technological renewal and upgrading process within the framework of the High Technology Equipment Investment Plan (INVEAT Plan) is significantly helping improve the age of the technological infrastructure and strengthening specific types of high-tech equipment through a progressive increase in equipment density. However, certain categories that are not included, such as conventional mammography or radiology equipment, are particularly old in Extremadura.

To enhance the governance model and decision-making for the incorporation of technology, the proposal suggests defining and implementing a structured process for the strategic planning of high-tech investment decisions. This could be achieved through a specific regulatory framework with defined periodicity, methodology and stages, with results documented in a strategic plan or investment plan. It is also recommended that the process be followed by an implementation plan detailing timelines, phases, funding, responsibilities and resources allocated, as well as monitoring, evaluation and periodic updates.